

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
MAG REGIONAL COUNCIL EXECUTIVE COMMITTEE

February 13, 2017
MAG Offices, Ironwood Room
302 N. 1st Avenue, Phoenix, Arizona

MEMBERS ATTENDING

Mayor Greg Stanton, Phoenix, Chair	Mayor Mark Mitchell, Tempe
Mayor Jackie Meck, Buckeye, Vice Chair	Mayor Lana Mook, El Mirage
#Mayor Gail Barney, Queen Creek, Treasurer	Mayor Jerry Weiers, Glendale
Mayor W.J. “Jim” Lane, Scottsdale, Past Chair	

* Not present

Participated by video or telephone conference call

1. Call to Order

The Executive Committee meeting was called to order by Vice Chair Meck at 12:04 p.m.

2. Pledge of Allegiance

3. Call to the Audience

Vice Chair Meck stated according to the MAG public comment process, members of the audience who wish to speak are requested to fill out public comment cards. He stated that there is a three-minute time limit. Public comment is provided at the beginning of the meeting for items that are not on the agenda that are within the jurisdiction of MAG, or non-action agenda items that are on the agenda for discussion or information only. Vice Chair Meck noted no public comment cards had been received.

4. Approval of Executive Committee Consent Agenda

Vice Chair Meck noted prior to action on the consent agenda, members of the audience are provided an opportunity to comment on consent items that are being presented for action. Following the comment period, committee members may request that an item be removed from the consent agenda.

Vice Chair Meck requested a motion to approve the consent agenda. Mayor Mook moved to approve consent items 4A and 4D. Mayor Weiers seconded the motion and the motion carried unanimously.

4A. Approval of the January 27, 2017, Executive Committee Meeting Minutes

The Regional Council Executive Committee, by consent, approved the January 27, 2017, Executive Committee meeting minutes.

4B. Financial Auditor Selection for Maricopa Association of Governments

The Regional Council Executive Committee, by consent, approved the selection of Heinfeld, Meech & Co., P.C. to perform the MAG annual financial audit for fiscal year 2017 with four one-year options to renew through 2021.

The Maricopa Association of Governments requested proposals from qualified firms of certified public accountants to audit MAG's financial statements for five consecutive years beginning in fiscal year 2017. In response to the Request for Proposals released in September 2016, MAG received six proposals from qualified certified public accountant firms. A multi-agency proposal evaluation team reviewed the proposals and on January 6, 2017, recommended to MAG that Heinfeld, Meech & Co., P.C. be selected to perform the financial audit at MAG for the period beginning FY 2017 with four one-year options to renew through FY 2021.

4C. MAG FY 2017 US-60/Grand Avenue - Sun City Implementation Study

The Regional Council Executive Committee, by consent, approved the selection of Burgess & Niple, Inc., as the consultant to conduct the MAG FY 2017 US-60/Grand Avenue - Sun City Implementation Study.

The Fiscal Year (FY) 2017 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2016, includes \$150,000 to conduct the MAG FY 2017 US-60/Grand Avenue - Sun City Implementation Study. A Request for Proposals was issued on October 10, 2016, with a submittal deadline of November 22, 2016. MAG received two proposals. A multi-jurisdictional evaluation team reviewed the proposals and recommended to MAG the selection of Burgess & Niple, Inc., to conduct the US-60/Grand Avenue - Sun City Implementation Study.

4D. Appointment of a MAG Economic Development Committee Member Agency Position

The Regional Council Executive Committee, by consent, recommended to approve the appointment of Vice Mayor Kevin Harke to the Economic Development Committee (EDC) member agency position.

On May 27, 2015, the MAG Regional Council approved increasing the composition of the Economic Development Committee (EDC) to include twenty MAG member agency positions that have one-year terms with possible reappointment by recommendation of the Executive Committee and approval of the MAG Regional Council. These member agency positions include the seven largest cities.

On January 18, 2017, a letter was received from the City of Chandler recommending Vice Mayor Kevin Hartke as the City of Chandler representative on the EDC. The Executive

Committee is requested to recommend Vice Mayor Kevin Hartke as the City of Chandler EDC member. It is anticipated that the Regional Council will approve this recommendation at its February 22, 2017, meeting.

6. Consultant Selection for the Maricopa Region 9-1-1 Status Report and Outlook

Vice Chair Meck took this item out of order at the request of MAG Executive Director Dennis Smith.

MAG Government Relations Manager Nathan Pryor addressed the committee via teleconference and stated that the MAG 9-1-1 Study Committee was formed by the MAG Management Committee in September 2016, in reaction to a proposal for managed services by CenturyLink. Mr. Pryor stated that the 9-1-1 Study Committee members include Co-Chairs, Mesa City Manager Chris Brady and Glendale City Manager Kevin Phelps, representatives from the 9-1-1 Oversight Team, Public Safety Answering Point Managers, the MAG Technical Advisory Group, and representatives from police departments in the region.

Mr. Pryor stated that early on in discussions, the committee put aside the managed services proposal and focused on developing a report on the past, present, and future of the region's 9-1-1 system. He stated that the monthly 9-1-1 excise tax on telephones was decreased from 37 cents to the current rate of 20 cents, which is the lowest in the country. Mr. Pryor advised that the tax is per telephone account, not per telephone. He noted that the growing population and changing technology present real challenges to the 9-1-1 system.

Mr. Pryor stated that another concern is the decision-making in the allocation of funding. He noted that MAG has little input with the Arizona Department of Administration (ADOA), which handles the State 9-1-1 Office. Mr. Pryor added that budgeting for future years is unknown. He stated that annually, MAG conducts the 9-1-1 budget process through the MAG committees, with approval by the MAG Regional Council. Mr. Pryor said that MAG submits the approved budget to the State 9-1-1 Office. He noted that this single-year budget process makes planning for the future difficult.

Mr. Pryor referred to a three-page handout and turned the committee's attention to the first page, Arizona 9-1-1 Excise Tax Collection and Fund Transfers: FY 2003-2015. He pointed out that approximately \$30,000,000 was collected from the excise tax in 2006 when the rate was 37 cents per month. Mr. Pryor said the excise tax rate was lowered under the assumption that the increase in the number of cell phones would balance out the decrease in the excise tax rate. However, the Great Recession occurred and at the same time, the Arizona State Legislature swept funds from the State 9-1-1 fund to balance the State budget. Mr. Pryor noted that these sweeps total more than \$53 million.

Mr. Pryor said that the FY 2016 State 9-1-1 excise tax revenue totaled approximately \$18.5 million. Of this amount, approximately \$12 million was collected in the Maricopa 9-1-1 region, with approximately \$6 million collected in the balance of the State. Mr. Pryor stated that the Maricopa Region 9-1-1 submitted to the State 9-1-1 Office a budget of approximately \$13.8

million and received approximately \$6.1 million in funding, a return of 49.8 percent of the tax it collected – a trend that has been ongoing since FY 2007.

Mr. Pryor stated that next steps include developing a plan for Maricopa Region 9-1-1, utilizing a consultant who is an expert in telecommunications. He noted that MAG would like to work with the Arizona Department of Administration to develop a funding process that would include input by MAG in the decision-making and add an emphasis on budgeting for future years.

Mr. Brady, Co-Chair of the MAG 9-1-1 Study Committee, stated that the committee originally started to evaluate the managed services proposal by CenturyLink, but as the layers were pulled back it was apparent that there were larger issues. For example, the annual State 9-1-1 revenue is approximately \$18 million, of which about \$12 million is from the MAG region, and only \$6 million was approved by the State 9-1-1 Office to return to this region. Mr. Brady remarked that this is a huge gap in resources for the most densely populated area in the state. He added that our region is not suggesting a return of dollar for dollar because this region benefits from having a robust 9-1-1 system statewide, however, a return of half is low.

Mr. Brady stated that the ADOA approached CenturyLink to provide a proposal on the service it could provide for the \$18 million generated by the State 9-1-1 tax. He indicated that MAG's question is whether the bundled managed services is what this region needs. Mr. Brady stated that ADOA mentioned going to the Legislature to increase the tax, but MAG is not interested in promoting that idea until it knows how decisions are made in allocating the \$18 million. He stated that MAG has a good plan for 9-1-1, but having validation of the vision from a third party perspective is important.

Mr. Brady said that the ADOA asked what the region's vision is and what the 9-1-1 Study Committee sees as being important for 9-1-1. He stated he is asking the committee today for approval to move forward to engage outside consulting services that can review what has been presented and determine whether it is sufficient or needs to be modified.

Mr. Brady added that the 9-1-1 Study Committee will compare the consultant report with what MAG thinks it needs going forward, and if those needs are covered in the services that CenturyLink is providing. He stated he believes there will be significant gaps. Mr. Brady stated that in past years, 9-1-1 has not spent the money collected and allowed it to accumulate balances, which allowed the State to sweep the funds. He said that having a plan in place that identifies what the region needs to move forward with next generation technology would help justify why the region would need additional funds. He stated the report will be the first step in being able to make a case to the State, being able to compare it to the CenturyLink bundle, and for officials to know what the future of the 9-1-1 plan is.

Mayor Mitchell asked if the region only received a portion of the 9-1-1 tax collected, where the other portion collected went. Mr. Brady said the \$53 million taken by the State went to operations and did not go back into 9-1-1.

Mr. Smith added that the region needs a telecommunications expert, which is what Federal

Engineering/Kimball is, to come in and look at what we have so we can begin developing a seven-year plan. He also stated that the tax is levied per account and the base could be changed to a per telephone line charge.

Mayor Lane asked for clarification on if the 9-1-1 charge was per phone or per account or line. Mr. Smith said he was referring to residential accounts and if a family has one account with three or four phones, the family account would only be charged for 9-1-1 once.

Mayor Mook asked if CenturyLink was the only company that bid for this project and if so, why. Mr. Brady stated that CenturyLink is the only service and plan the State is endorsing and providing with a guaranteed funding source. He said that after reviewing what the level of services would be through CenturyLink, the 9-1-1 Study Committee was concerned it is not sufficient for what the region needs due to its population density, different varieties of devices used, and the fact that the region may want other technology in the future such as disability access, text, and video to 9-1-1.

Mayor Mook asked if the Executive Committee approved the funding request today, would the resulting report provide information as to whether or not CenturyLink's services are going to be enough. Mr. Brady said the consultant review would provide a plan for what the 9-1-1 Study Committee believes is needed for the region, and would allow the committee to compare it to what CenturyLink is providing to determine if it is sufficient.

Mayor Lane asked if the study would provide evidence that we need something other than the CenturyLink bundle. Mr. Brady said it would tell our leaders what is best for the region and allow them to compare it with CenturyLink's proposal. He added that CenturyLink will not let the 9-1-1 Study Committee review their proposal without signing a non-disclosure agreement. Mr. Brady said that at some point 9-1-1 officials will need to figure out how to see the proposal in order to conduct the comparison that will allow them to determine if what is being offered by CenturyLink is what our region needs. Mayor Lane asked if the State sees this as a challenge. Mr. Brady said the State raised the question about what our plan is and they were told that we would come back to them with a third party assessment. He said based on that conversation, the State is expecting to receive something from MAG.

With no further discussion, Mayor Mook moved to approve MAG to issue a sole source contract to Federal Engineering/Kimball, due to their specialized expertise and need for a timely response, to serve as the consultant to review the planning and costs of the Maricopa Region 9-1-1 system, at a cost not to exceed \$38,000. Mayor Meck seconded, and the motion passed unanimously.

5. Passing of the Gavel/Golden Anniversary Event Update

MAG Communications Manager Kelly Taft stated that on April 12, 2017, MAG will have been serving our region for 50 years. She recalled that during the April 2016 and September 2016 Executive Committee meetings, staff provided planning updates regarding the Anniversary celebration.

Ms. Taft said that per Executive Committee direction, recognition of the anniversary will be combined with the passing of the gavel ceremony to take place on June 28, 2017. She stated the anniversary will be recognized at the conclusion of the April 12th Management Committee meeting, with Executive Committee members invited to attend. Ms. Taft said staff is exploring providing a commemorative item on that day, such as a coaster with the 50th Anniversary logo.

Ms. Taft stated that leading up to the larger celebration on June 28th, MAG will promote the anniversary on social media and through major media outlets. She explained that messaging will focus not only on lessons learned over the past 50 years, but why MAG is relevant to the community going forward. Ms. Taft stated that currently, MAG is anticipating changing the time of the June Regional Council meeting from the noon hour to an early evening time period.

Ms. Taft commented that MAG is looking at potential venues to hold an estimated 265 people. She stated that MAG is anticipating an online registration process, with an invitation list, to include MAG Policy Committees and perhaps Technical Committees; MAG Past Officers; high ranking elected officials, such as members of the Congressional Delegation and state legislators; MAG member agency elected officials; and chambers of commerce or business partners.

Ms. Taft reminded the committee that it was discussed at previous meetings that a video would be produced and played at the event, and said staff has been working on that video. She noted that instead of a longer format video to be played at the event, Chair Stanton has suggested that the history be broken down into five separate videos by decade that will be played at each Regional Council meeting leading up to the celebration, beginning with the upcoming February meeting. Ms. Taft said that a longer video combining the five segments would be produced and provided to city cable Channel 11s for on-air programming and posted to MAG's website.

Ms. Taft stated it was also discussed that staff would be documenting MAG's history through a coffee table book that could be distributed to attendees at the event, or produced in more limited quantities for just Regional Council and Management Committee members depending on cost. She said staff would also look into purchasing jump drives that could include the video or the book.

Ms. Taft asked the committee for confirmation that it wants to change the start time of the Regional Council meeting to an evening time period, and if so, if the committee would prefer a 4:00 p.m. start for the Annual Meeting with an event start at 5:00 p.m.; or a 5:00 p.m. Annual Meeting with 6:00 p.m. event start. She also asked if the committee would like to offset costs with sponsorships and if they would be comfortable with the activities outlined today, or if the committee had additional questions or input.

Chair Stanton recalled that the last time the committee discussed this item it was decided that it did not want an expensive party but wanted to instead focus on a social media and media campaign to get the word out to the public about MAG's accomplishments. He said the committee made the decision to combine the 50th Anniversary Celebration with the Passing of the Gavel ceremony, and in the meantime to work with staff on the MAG at 50 media campaign. Chair Stanton did not think it was a good decision to buy a lot of books as some

people would be interested in books and others would be more interested in thumb drives with copies of the video. He said thumb drives would be less expensive than books. Mr. Smith said MAG would purchase 300 books at a cost of approximately four thousand dollars. Chair Stanton suggested Regional Council members could add a link to the videos on their websites to generate interest in the celebration.

Mr. Smith said the Passing of the Gavel is usually a short ceremony, but with the addition of the 50th Anniversary celebration, all of the former Regional Council members will be invited to attend. Chair Stanton suggested putting together highlights of the decades videos and creating a five to 10 minute video to view at the event.

Mayor Mitchell asked if we were still having an event to celebrate the anniversary. Mr. Smith said there would be two events, on the actual anniversary, which falls on the day of the MAG Management Committee meeting, and the larger event at the Passing of the Gavel ceremony in June. He said the Executive Committee would be invited to the Management Committee meeting for a photo opportunity. Mayor Mitchell said the 50th Anniversary is a significant event and suggested giving people the opportunity to order books if they are interested.

Mr. Smith said a social media campaign for the anniversary would begin this month and the first video clip will be played at the February Regional Council meeting. Ms. Taft asked the committee for guidance on moving the Passing of the Gavel ceremony to 4:00 p.m. Mayor Mook said she would like the 4:00 p.m. start time. There were no objections. Chair Stanton asked staff to develop a MAG Top 10 and pitch it to local media to generate interest in MAG's history and success of the region.

7. Development of the FY 2018 MAG Unified Planning Work Program and Annual Budget

Mr. Smith said the MAG Dues and Assessments were lower than estimated because the Consumer Price Index for All Urban Consumers (CPI-U) went down from 2.4 last year to 2.2 this year. He announced that MAG staff will hold a budget workshop on Thursday, February 16th in the MAG Cottonwood Room. Mr. Smith reminded committee members that they have until May to look over the proposed new projects. He said members should contact staff if there is a project they think is regional or subregional in nature that MAG should undertake that can be added to the budget.

Mr. Smith said one of MAG's new projects is conducting a focus group for the new transportation plan due in 2025 or 2026 with the expiration of the current tax. He said MAG would have to start reaching out to the public and the focus group effort is a start of that.

8. Legislative Update

Mr. Smith said the Legislature would be hearing House Bill 2010. He stated that the Arizona State Retirement System (ASRS) political subdivision entity was introduced previously and proposes to exclude new staff at MAG and similar agencies from the ASRS. MAG has opposed the bill in the past. Mr. Smith said there is also an amendment that Representative David

Livingston is proposing that would allow MAG to stay on the ASRS as an MPO (Metropolitan Planning Organization), but would still exclude COGs (Councils of Governments), League of Arizona Cities and Towns (League), and similar agencies from the system. He told the committee he planned to oppose the first bill and stay neutral on the amendment.

Mr. Smith indicated that the ASRS program is a critical recruiting tool for MAG since many employees come from ADOT, cities or towns. He noted that there are current MAG staff who were formerly staff at ADOT or a COG.

Chair Stanton asked if any committee members feel that MAG should take a position other than what Mr. Smith planned. He expressed concern at the manner in which the bill came about.

Mayor Lane said he is concerned about what is best for ASRS. He stated he understands that being able to hire people under the retirement system is a positive for those organizations targeted by the bill, but has yet to hear whether having them remain is beneficial to the ASRS. Chair Stanton said he does not believe the health of ASRS was the motivating factor for this bill. Mayor Mitchell said it his understanding that the ASRS is financially sound. Mr. Smith said it helps ASRS for MAG and others to remain in the system.

Mayor Mitchell stated the motive for the bill is not good public policy. Mayor Lane said the question was posed to the bill's sponsor as to what the impact the bill would have to ASRS, and said he was told it would be a \$30 million reduction in benefits that would have to be paid out. Mayor Mitchell expressed concern that this bill would affect MAG more than the committee realizes in recruiting, attracting, and retaining good employees.

Mayor Lane said he was not sure if recruiting would be affected as MAG and others have only been a part of the system for the past 10 years. Mr. Smith said the Western Arizona Council of Governments has been in the system for more than 30 years system and the ASRS is 77 percent funded. He remarked that it is very healthy compared to the public safety personnel retirement system. Mayor Mook said the ASRS has been very responsible with funding and organization. She stated if the concern was coming from the ASRS management, she would have to take a look at that.

Mr. Smith clarified that he plans to oppose the original bill that would leave MAG and the League out of ASRS. Chair Stanton asked if there was an agreement that MAG would stay neutral if the amendment was added. Mr. Smith said no and that MAG's only request was that COGs be added to the amendment. Chair Stanton said Representative David Livingston is offering the amendment and Representative Michelle Ugenti is the sponsor of the original bill.

Mayor Weiers asked if MAG would support the amendment if Rep. Livingston also took the League out of it. Mr. Smith answered that there are a lot of organizations other than the League that are being left out of the ASRS with H.B. 2010. He said that is why he planned to oppose the original bill and stay neutral on the amendment. Mayor Lane said he thought Mr. Smith's plan was reasonable. Chair Stanton said he believes MAG should stay in opposition to the bill and the amendment and Mayor Mitchell said he agreed. Mayor Mook asked for clarification of

exactly what the vote would mean.

Mayor Weiers said he was in between because his fight is for the Valley and not the rest of Arizona. Mayor Mook said she was concerned about what would happen with the League. Chair Stanton said although the Mayors on the committee wear many hats, right now they have to decide what is best for MAG. He repeated that Mr. Smith has said he will go neutral on the amendment and if the amendment passes, MAG would go neutral on the overall bill because MAG would no longer be harmed.

Mayor Lane expressed concern that MAG would lobby or somehow affect legislation for an organization outside of itself. He said it is a matter of spending MAG funds and efforts to lobby for another organization. Mayor Lane stated if MAG stays neutral it would not be lobbying, but if it actively engaged in trying to defeat the amendment then it would be.

Chair Stanton said MAG needs to conduct an objective analysis on whether new employees should be in the ASRS or not, but MAG should have that discussion on its own and it should not be dictated by the legislature. Mayor Barney said MAG needs to do what it can to support its employees. Mayor Meck said he was unsure of who was targeting these groups and what the motive was, but he does not want to see anyone get hurt. Chair Stanton explained that a few sessions ago, the representatives bill, which became law, was sued by the League and others for going beyond the legal boundaries of what the legislature could do. He said the representative may have authored HB 2010 to punish the League.

Chair Stanton said due to a lack of clarity from the committee, Mr. Smith will oppose the original bill, take a neutral position on the amendment, and if the amendment passes, will stay neutral with the resulting bill. Mayor Lane said through the strength of MAG it was able to get an amendment, and if it goes against the amendment it could be putting MAG at risk. Mr. Smith advised that the Committee wait for further action on the matter after discussing the results from this afternoon's hearing.

MAG Transportation Manager Eric Anderson brought four bills to the committee's attention that are directly relevant to the work done by the MAG Transportation staff. One is Senate Bill 1270, a striker, from Senator Worsley. The bill would give Maricopa County the ability to go back to the voters to extend Proposition (Prop) 400 without going to the legislature for further authorization. Mr. Anderson said the bill contains language as to when the election can be held. Mr. Anderson said the current tax expires December 31, 2025, and the MAG plan in place at that time would dictate the percentages for the extension.

Mr. Anderson said Senate Bill 1147, also a striker, gives counties the ability to go to the voters to impose a local option gas tax. He said proceeds of that tax could be used for road and street purposes and could not be used for transit.

Mr. Anderson said that House Concurrent Resolution 2011 is a referendum to voters to increase the gas tax by 10 cents a gallon, with additional proceeds going back into the Highway User Revenue Fund (HURF). He noted it would be voted on in 2018, also when Governor Doug

Ducey would be running for re-election. Mayor Lane asked what the increase in the gas tax would be. Mr. Anderson said it would go from 18 cents to 28 cents.

Mr. Anderson said Senate Bill 1146, also a striker, was introduced by Senator Worsley and would provide some fees for non-fossil fuel vehicles, electric vehicles and natural gas vehicles. These vehicles would have to pay an annual fee because they are not subject to the gas tax. Mr. Anderson said he would keep the committee updated as the bills move through the legislative process.

9. Requests for Future Agenda Items

Chair Stanton asked if there were any requests for future agenda items. There were none.

10. Comments from the Committee

There were no comments from the committee.

Adjournment

There being no further business, the Executive Committee adjourned at 1:17 p.m.

Chair

Secretary